

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20590

STATEMENT OF SECRETARY JOHN A. VOLPE BEFORE THE SPECIAL SUBCOMMITTEE ON
LABOR OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR ON H.J. RESOLUTION 1025,
TUESDAY, FEBRUARY 1, 1972.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before you today in support of House Joint Resolution 1025. I only wish, however, that this was not my fourth appearance before the Congress in less than a year concerning a strike in the transportation industry. Hopefully, Congress will now see the need to resolve this issue by passing the Administration's Emergency Public Interest Protection Act and thereby amend our hopelessly antiquated transportation labor relations legislation. The last time I came before this Committee, we agreed that something had to be done. I left hopeful that a permanent resolution was near at hand. I am sorry to say I was disappointed. But I remain optimistic. It is through the Congress -- through your efforts -- that we shall solve this problem. I sincerely hope that this labor impasse is the last we shall have to solve by short term action.

The proposal we are considering today, House Joint Resolution 1025, is not a comprehensive solution for ending disputes in the transportation industry. It is yet another emergency measure meant to solve only the crisis at hand. Yet it must be passed -- limited as it is -- to protect the interest of the American people until a permanent solution is legislated for transportation strikes.

What of the factory workers who must be laid off because their factory can neither receive its raw materials nor deliver its finished products? What of solidarity now?

And what of our country's economic health? We are now deeply involved in, and individually committed to, phase two of the President's new economic policy. All of us -- not just management -- not just labor -- not just the housewife -- but all Americans must strive to break the cruel inflationary spiral which saps our prosperity and standard of living. We are now, after a revaluation of our country's currency, for the first time in a great while able to compete successfully in European and Asian markets. How can we allow the approximately 13,000 participants in this dispute to frustrate the economic expectations of more than 200 million Americans? There is too much at stake to allow so few to harm so many.

If you think these are harsh words, just look at our projections, based on an analysis of last September's dock strike.

The losses in port service industries which are directly involved in the dispute are estimated to be about 8 million dollars a week. The loss to the shipping industry is estimated at 3 million dollars a week, and the loss to the inland transportation companies, 5 million dollars per week. Greater losses will appear in the wholesale and retail trade sectors -- 29 million dollars per week -- and in the industrial and agricultural sectors of the economy -- 46 million dollars per week. These losses will add up to a 3.4% reduction in the regional product of the West Coast States measured at a weekly rate at the height of impact.

Since this Nation's transportation system is so complex and inter-related, the elimination of one of the modes has an immediate effect on the connecting modes. In this case, the initiation of the West Coast dock strike resulted in the embargoing of all rail and truck traffic destined for the West Coast ports.

Depending upon the inventories and amount of storage facility available, the losses caused by the strike would begin within days after the strike and would build to a peak in about 8 weeks. Due to the previous work stoppage, inventories are probably in a more serious condition now than at the beginning of the conflict last July.

The peak employment impact, not including agriculture, would be as follows:

shipping	5 thousand people out of work
port services	18 thousand people out of work
inland transportation	10 thousand people out of work
trade	7 thousand people out of work
industry	148 thousand people out of work

The proposal the Administration brings before you today was outlined and explained earlier by Secretary Hodgson. I shall not repeat his statement. Let me only say this: compulsory arbitration should be the last choice in any free economic society, but we have reached a point where there is left only that last choice. Compulsory arbitration is neither pro-management nor pro-labor. It should only be considered a temporary solution. In the future -- and I hope the very near future -- you shall see fit to enact a more comprehensive measure. Now, however, you must move

forward immediately to meet the crisis at hand. I am confident that the Congress will act in the public interest.